NEWS RELEASE **November 6, 2007**

BLACK DIAMOND INCOME FUND REPORTS RESULTS OF OPERATIONS FOR THE THREE MONTH PERIOD ENDED SEPTEMBER 30, 2007

Calgary, Alberta — (TSX: BDI.UN) Black Diamond Income Fund ("Black Diamond" or the "Fund") is pleased to announce the results of operations for the three month period ended September 30, 2007 ("Period").

Results for the third quarter show continued growth as revenue for workforce accommodations and space rentals rose 17% and 7%, respectively over Q2. When compared to Q2 results, overall revenue grew by 13% to $10.56 million, while EBITDA rose 41% to $5.43 million. Distributable cash for the three months was $3.86 million, or $0.41 per unit.

The following is a summary of selected financial and operating information that has been derived from and should be read in conjunction with the unaudited interim consolidated financial statements for Black Diamond Income Fund for the three and nine month periods ended September 30, 2007.

	Three months ended September 30, 2007	Nine months ended September 30, 2007
Financial Highlights	$	$
Total Revenue	10,564,373	26,914,781
Gross profit	6,623,731	16,746,046
Gross profit %	63%	62%
EBITDA (1)	5,432,898	13,328,361
EBITDA % (1)	51%	50%
EBITDA per unit (basic and diluted)	0.58	1.53
Funds flow from operating activities (1)	5,142,370	12,372,491
Funds flow per unit (basic)	0.55	1.42
Funds flow per unit (diluted)	0.54	1.42
Payout ratio	45%	53%
Net earnings before taxes	3,498,079	7,897,443
Capital expenditures	6,516,192	20,941,742
Property, Plant & Equipment (net)	62,502,739	62,502,739
Total assets (as at period end)	111,382,314	111,382,314
Long Term Debt	18,419,888	18,419,888
Weighted average units - basic	9,350,000	8,703,297
- diluted	9,456,602	8,726,625
Operational Highlights		
Workforce Accommodation units in operation at end of period	580	580
Average units in operation for the period	487	454
Average utilization	84%	83%
Space Rental units in operation at end of period	746	746
Average units in operation for the period	641	539
Average utilization	86%	86%

(1) Refer to Non-GAAP measure section

Results of Operations

Revenue generated during the third quarter was $10.56 million, an increase of 13% over Q207 revenue of $9.34 million. This resulted in gross profit of $6.62 million or a gross profit margin of 63%. Workforce accommodation revenue was $8.17 million (77.4% of revenue) for the Period versus $6.98 million in the second quarter. Utilization of the workforce accommodation fleet averaged 84% for the Period. The utilization is a reflection of the type of equipment the Fund deploys as well as the longer term nature of the rental contracts the Fund has favored. The accommodation units have some seasonality to their usage with the drill camp fleet having a higher degree of utilization during the winter months. However, the Fund has taken a large degree of the seasonality out of its revenue generation due to longer term, paid monthly contracts that a significant portion of its drill camp fleet is contracted under. During the quarter, the workforce accommodations division generated $4.20 million (51.4%) of its revenue from the rental of its modular accommodation units. The remaining revenue of $3.97 million (48.6%) was primarily generated from sub-lease activity as well as the remaining installation operations related to the additional accommodations contracted for at the Canadian Natural Resources Horizon oilsands site. Other non-rental activity such as transportation and fleet sales constituted $0.72 million (8.9%) in revenue for the Period. These non-rental streams of revenue do not employ any of the Fund's capital and therefore generate lower margins.

Revenue for the space rentals segment for the third quarter was $2.16 million compared to 2.02 million in Q207. Utilization of the space rental fleet for both the quarter and year to date averaged 86%. Rental revenue for the Period for the space rentals division was $1.48 million (68.5%) while revenue from other activities such as transportation, installation, the sub-lease of additional fleet and unit sales represented $0.68 million (31.5%). The split in the rental revenue versus other revenue streams in the space rentals division does not fluctuate from period to period as much as can be seen in the workforce accommodations division.

The Fund's EBITDA was $5.43 million for the Period which represents an EBITDA margin of 51%. As noted above, this margin will fluctuate from period to period depending on the level and mixture of the revenue generated from the rental of the fleet assets as compared to the ancillary revenue streams such as transportation, installation, sublease and services provided.

For the Period, the charge for depreciation and amortization was $1.59 million. This included charges of $1.35 million with respect to depreciation taken on the property and equipment of the Fund and $0.24 million relating to the amortization of the intangible assets. The intangible assets were valued and booked in respect of the purchase of the business from Black Diamond Leasing Inc. at the time of the initial public offering and have estimated useful lives ranging from 4 to 20 years.

Interest expense for the Period was $0.29 million and was $0.86 million for the nine months ended September 30, 2007. This represents interest that was charged on the credit facilities that were drawn down in the respective periods.

For the Period and for the nine months ended September 30, 2007, the Fund incurred an income tax provision of $1.55 million and $10.85 million, respectively. The initial impact of the SIFT legislation in Q2 was an income tax provision of $9.30 million. This liability arises due to the differences in the book value and the tax value of the assets held by the Fund that are expected to reverse after 2010.

SUMMARY OF QUARTERLY RESULTS

The Fund completed its IPO on September 26, 2006. As such there are no results for the comparable period in prior years. The following is a summary of results for the quarterly periods since the Fund's initial public offering:

(Expressed in thousands of $'s, except for per unit amounts)

	Q3 2007	Q2 2007	Q1 2007	Q4 2006
	$	$	$	$
Revenue	10,564	9,344	7,006	5,609
Net Earnings (Loss)	1,944	(7,194)	2,297	1,052
Per Unit - basic and diluted	0.21	(0.80)	0.30	0.14

The Fund's operations are mainly carried out in Western Canada. The oilfield service industry's ability to move heavy equipment in exploration and production areas is dependent on weather conditions. With the onset of spring, melting snow together with frost coming out of the ground renders many secondary roadways incapable of supporting heavy equipment until sufficient time has passed for them to dry out. In addition, certain exploration areas in Canada are typically only accessible during winter months, when the surface is frozen enough to support heavy equipment. As a result, activity levels of the Fund have been directly impacted by this seasonality, whereby activity is traditionally higher in the first and fourth quarters of the year and lower in the second and third quarters. However, the Fund has targeted the reduction of this seasonal impact by contracting with our customers for longer term, paid monthly contracts. The reliance on contracts utilizing day rates which would subject the Fund to a larger degree of seasonality has been significantly reduced. The large loss in Q2 was the result of recording the initial future income tax liability required by the new SIFT legislation enacted in June 2007.

DISTRIBUTABLE CASH

The Fund declared distributions to unitholders of $2.34 million during the Period and $6.60 million for the nine months ended September 30, 2007. This is $0.25 per unit for the Period, or the equivalent of $1.00 per unit on an annualized basis.

Management is focused on the distributions as a percentage of Funds Flow from Operations (see "Non-GAAP measures"). In this measure, changes in non-cash working capital are excluded. Changes in non-cash working capital balances will be a source of cash in one period and a use of cash in another depending on changes in the level of activity in a particular period and other factors. Management believes Funds Flow from Operations is more indicative of the cash generated by the operations in a period which would be available for distribution to unitholders. Funds Flow from Operations for the three and nine month periods ended September 30, 2007 was $5.14 million and $12.37 million after adjusting for maintenance capital. The Payout Ratio (see "Non-GAAP measures") for the Period was 45% while the Payout Ratio for the nine months ended September 30, 2007 was 53%.

LIQUIDITY & CAPITAL RESOURCES

As of September 30, 2007, the Fund had a working capital surplus balance of $2.85 million. The Fund also has an operating credit facility of $5.0 million and an acquisition credit facility of $40.0 million. In addition, the credit facility of the Fund has a $10 million accordion feature allowing the Fund to further increase the acquisition credit facility upon request and approval as required. As at September 30, 2007, the Fund had not drawn on the operating credit facility and had drawn down on the acquisition facility in the amount of $18.4 million.

At September 30, 2007, the Fund had the equivalent of 9.35 million units outstanding. This was a combination of 7.28 million Trust units issued and 2.07 million exchangeable partnership units outstanding which are exchangeable into Fund units at a rate of 1 exchangeable partnership unit for 1 Trust unit. In addition, the Fund had issued 623,620 options pursuant to its Trust unit option plan established in September 2006 in conjunction with the IPO.

Capital Expenditures

For the Period, the Fund expended $6.52 million on additions to property and equipment. The additions to the property and equipment consisted of:

- $3.33 million on workforce accommodation structures and ancillary equipment rented along with these units
- $3.06 million on space rental structures with some ancillary equipment rented along with these units
- $0.13 million on computers, furniture and service related equipment.

For the nine months to September 30, 2007, the Fund expended $20.94 million on additions to property and equipment. The additions to the property and equipment consisted of:

- $9.99 million on workforce accommodation structures and ancillary equipment rented along with these units
- $10.65 million on space rental structures with some ancillary equipment rented along with these units
- $0.30 million on computers, furniture and service related equipment

At September 30, 2007, the Fund had made capital expenditure commitments with key manufacturers of modular structures in the amount of $14 million for delivery throughout the remainder of 2007 and early part of 2008. It is Management's intention to meet the funding requirements for these commitments through a combination of internally generated cash flow and available funds from credit facilities.

OUTLOOK

Increasing rental fleet size and continued strong utilization will lead to sequentially higher revenue and EBITDA in the fourth quarter. Gross margins and EBITDA margins as a percentage of revenue are expected to remain consistent with those generated in the third quarter. The payout ratio is expected to continue to decline from the 45% registered in the third quarter.

The Fund currently generates over 70% of its revenue from oil sands related projects. Approximately 20% of revenue now comes from the relatively stable space rentals business. And, the Fund continues to maintain a reasonably long average outstanding contract term on its workforce accommodation fleet assets. Each of these factors has contributed to insulating the Fund from the current prolonged downturn in Western Canadian drilling activity. Management anticipates only minor near term effects from low drilling activity and from the recently announced revisions to the Alberta Oil and Gas Royalty scheme.

At the close of the third quarter the Fund had approximately $14 million in capital expenditure commitments outstanding. Approximately $10 million of these expenditures will be realized in the fourth quarter with the remaining $4 million being incurred early in the first quarter of 2008. These capital expenditures will increase the number of rental units in the Fund's rental fleets. Substantially all of this new equipment has been contracted with rent to commence shortly after delivery. Rental revenues will rise accordingly. Management anticipates that the Fund's total rental fleet at the close of 2007 will be 1,474 units consisting of 671 workforce housing units and 803 space rentals units.

The Fund's Board of Directors has approved additional capital expenditures of up to $36 million to be expended in 2008. This organic growth capital will be generally allocated 45% towards space rentals fleet assets, 35% towards workforce accommodation assets, and 20% towards surface rental and drilling accommodation assets. These expenditures will be spread across all four quarters with an over-weighting towards the third and fourth quarters. Management is confident that there is sufficient demand from current and prospective customers to ensure adequate market absorption of this additional equipment. In addition, the Fund continues to assess potential acquisition targets. Management believes that asset acquisitions, that are both strategic and accretive, offer an expedient means of growth.

NON-GAAP MEASURES

EBITDA refers to consolidated earnings before interest expense, tax expense, depreciation, amortization and unit based compensation. Black Diamond uses EBITDA primarily as a measure of operating performance. Management feels that the operating performance as determined by EBITDA is meaningful because it presents the performance of the operation on a basis which excludes the impact of how it has been financed.

The following is a reconciliation of consolidated Net Income to EBITDA:

	Three months ended September 30, 2007	Nine months ended September 30, 2007
Net income (loss)	$1,944,432	($2,952,144)
Add:		
Depreciation and amortization	1,594,446	4,461,710
Interest	288,407	855,193
Future income taxes	1,553,647	10,849,587
Unit-based compensation	51,966	114,015
EBITDA	$5,432,898	$13,328,361

EBITDA Margin is calculated by dividing EBITDA by the revenue for the period.

Distributable Cash from Operations is calculated as the cash flow from operating activities adjusted for 1) maintenance capital expenditures made in the period, 2) funding of long term unfunded contractual obligations arising from operations and 3) restrictions on distributions arising from compliance with financial covenants at the date of the calculation. Maintenance capital expenditures are capital expenditures incurred during the period to maintain existing levels of productive capacity and service or expenditures that were incurred to enhance the operational life of existing property and equipment. Growth capital expenditures are excluded from this calculation.

The following is a reconciliation of Cash Flow from Operating Activities to Distributable Cash from Operations:

	Three months ended September 30, 2007	Nine months ended September 30, 2007
Cash Flow from Operating Activities	$3,859,157	$11,356,649
Deduct:		
Maintenance capital expenditures	(2,121)	(100,676)
Distributable Cash from Operations	$3,857,036	$11,255,973

Funds Flow from Operations is calculated as the cash flow from operating activities excluding the changes in non-cash working capital adjusted for 1) maintenance capital expenditures made in the period, 2) funding of long term unfunded contractual obligations arising from operations and 3) restrictions on distributions arising from compliance with financial covenants at the date of the calculation. Maintenance capital expenditures are capital expenditures incurred during the period to maintain existing levels of productive capacity and service or expenditures that were incurred to enhance the operational life of existing property and equipment. Growth capital expenditures are excluded from this calculation. Management believes that Funds Flow from Operations is a useful measure as it provides an indication of the funds generated by the operations before working capital adjustments. Changes in non-cash working capital items have been excluded as such changes are financed using the Fund's operating line of credit facility. Funds not distributed are then available for re-investing in the business and funding the growth of the Fund.

The following is a reconciliation of Cash Flow from Operating Activities to Funds Flow from Operations:

	Three months ended September 30, 2007	Nine months ended September 30, 2007
Cash Flow from Operating Activities	$3,859,157	$11,356,649
Add:		
Changes in non-cash working capital	1,285,334	1,116,518
Deduct:		
Maintenance capital expenditures	(2,121)	(100,676)
Funds Flow from Operations	$5,142,370	$12,372,491

Payout Ratio is calculated as the distributions declared for the period divided by the Funds Flow from Operations.

Readers are cautioned that the Non-GAAP measures are not alternatives to measures under GAAP and should not, on their own, be construed as an indicator of the Company's performance or cash flows, a measure of liquidity or as a measure of actual return on the Units. These Non-GAAP measures should only be used in conjunction with the consolidated financial statements of Black Diamond Income Fund.

Black Diamond Income Fund
CONSOLIDATED BALANCE SHEETS
(Unaudited)

As at

	September 30, 2007	December 31, 2006
	$	$
ASSETS		
Current		
Cash	270,215	451,390
Accounts receivable	6,704,313	4,699,171
Prepaid expenses	616,398	264,341
	7,590,926	5,414,902
Property and equipment	62,502,739	45,280,207
Intangibles	11,972,559	12,706,270
Goodwill	29,316,090	29,316,090
	111,382,314	92,717,469
LIABILITIES AND UNITHOLDERS' EQUITY		
Current		
Accounts payable and accrued liabilities	3,962,268	2,427,818
Distributions payable	778,855	641,410
	4,741,123	3,069,228
Long-term debt	18,419,888	15,669,888
Due to related party	—	882,841
Future income taxes	10,849,587	—
	34,010,598	19,621,957
Commitments		
Unitholders' equity		
Trust units and exchangeable partnership units	87,750,987	74,039,294
Contributed surplus	127,889	13,874
Accumulated loss, after accumulated distributions	(10,507,160)	(957,656)
	77,371,716	73,095,512
	111,382,314	92,717,469

See accompanying notes to the consolidated financial statements

Black Diamond Income Fund

CONSOLIDATED STATEMENTS OF NET INCOME (LOSS), COMPRHENSIVE INCOME (LOSS) AND ACCUMULATED LOSS

(Unaudited)

	Three months ended September 30, 2007 $	Nine months ended September 30, 2007 $
Revenue	10,564,373	26,914,781
Direct costs	3,940,642	10,168,735
	6,623,731	16,746,046
Expenses		
Selling, general and administrative costs	1,190,833	3,417,686
Amortization of property and equipment	1,346,898	3,719,210
Amortization of intangibles	247,548	742,499
Interest on long-term debt	288,407	855,193
Unit-based compensation	51,966	114,015
	3,125,652	8,848,603
Net earnings before income taxes	3,498,079	7,897,443
Future income tax expense	1,553,647	10,849,587
Net income (loss) and comprehensive income (loss) for the period	1,944,432	(2,952,144)
Accumulated loss, beginning of period	(10,115,027)	(957,656)
Distributions declared	(2,336,565)	(6,597,360)
Accumulated loss, end of period	(10,507,160)	(10,507,160)
Income (loss) per unit		
Basic and diluted	0.21	(0.34)

See accompanying notes to the consolidated financial statements

Black Diamond Income Fund
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited)

	Three months ended September 30, 2007 $	Nine months ended September 30, 2007 $
Operating activities		
Net income (loss) for the period	1,944,432	(2,952,144)
Add non-cash items:		
Amortization of property and equipment	1,346,898	3,719,210
Amortization of intangibles	247,548	742,499
Future income taxes	1,553,647	10,849,587
Unit-based compensation expense	51,966	114,015
	5,144,491	12,473,167
Change in non-cash working capital related to operating activities	(1,285,334)	(1,116,518)
	3,859,157	11,356,649
Investing activities		
Purchase of property and equipment	(6,516,192)	(20,941,742)
Additions to intangibles	—	(8,788)
Change in non-cash working capital related to investing activities	835,339	431,214
	(5,680,853)	(20,519,316)
Financing activities		
Proceeds from long-term debt	4,000,000	12,750,000
Repayment of long-term debt	—	(10,000,000)
Net proceeds from issuance of units	(15,637)	13,711,693
Distribution payments	(2,336,565)	(6,459,915)
Repayment of amount to related party	—	(882,841)
Change in non-cash working capital related to financing activities	—	(137,445)
	1,647,798	8,981,492
Increase (decrease) in cash	(173,898)	(181,175)
Cash, beginning of period	444,113	451,390
Cash, end of period	270,215	270,215

See accompanying notes to the consolidated financial statements

The Fund is an unincorporated open ended investment trust governed by the laws of the Province of Alberta. The principal undertaking of the Fund, through its indirect wholly-owned subsidiary, Black Diamond Limited Partnership, is to rent modular structures for use as workforce accommodation and temporary workspace, and to provide complementary services including transportation, installation, dismantling, repair and maintenance of modular structures, as well as related services through three operating divisions consisting of Black Diamond Camps, BOXX Modular, and Black Diamond Site Services.

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Forward-Looking Statements

Certain information set forth in this press release, including a discussion of future plans and operations, contains forward looking statements that involve substantial known and unknown risks and uncertainties. These forward-looking statements are subject to numerous risks and uncertainties, some of which are beyond management's control, including but not limited to, the impact of general economic conditions, industry conditions, fluctuation of commodity prices, fluctuation of exchange rates, environmental risks, industry competition, availability of qualified personnel and management, stock market volatility, timely and cost effective access to sufficient capital from internal and external sources. Actual results, performance or achievement could differ materially from those expressed in or implied by these forward-looking statements. For more information please contact Black Diamond Income Fund, by its Manager, Black Diamond Group Inc.

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